

Philately and international mail order fraud: The success of the New York Institute of Science in Hungary

Edward Grabowski, FRPSL

Introduction

By 1900, the world postal system had become efficient, reliable and inexpensive. Unquestionably, this reflected the success of the Universal Postal Union in simplifying the international mail delivery system, the plethora of packet systems that could readily carry mail to overseas destinations and the network of railroads that assured timely delivery of the mails on land. It was now possible to get mail to most foreign destinations in one to three weeks with an assurance of delivery at affordable rates. Clearly the major nations of the world had recognized the importance of communication and international commerce to their ultimate success and survival.

However, there was a dark side to the success of the international mail system. Fraudsters, persons who create and commit fraud, began to recognize that the world's mail system could be used to promote fraud schemes on an international scale. In the past decade, I have identified four American fraudsters who were exceptionally successful in their fraudulent endeavors based on use of the international mails. I have begun collecting postal history and ephemera related to their activities in an effort to document their success. The first of this group was E. Virgil Neal and Charles S. Clark who founded the New York Institute of Science headquartered in Rochester, New York¹. Initially this organization sold a home study course in hypnotism and magnetism. They claimed that application of their principles to customers' lives would result in dramatic improvements in many aspects of their daily life. Noting their success in promoting this scheme, they quickly branched out into other areas of fraudulent activity. The second member of this group was Professor A. Victor Segno and his American Institute of Mentalism, headquartered in Los Angeles, California. Professor Segno sold memberships in his Success Club for \$10 per year. In today's purchasing power that is equivalent to \$200 per year. Twice a day Professor Segno would mentally send his Success Waves to subscribers around the world, and their lives would magically improve in areas similar to those of the New York Institute of Science: health, wealth, influence, success, love, hope, peace and happiness². The third member of this group was Elvard L. Moses, who founded the Oxypathor Company, headquartered in Buffalo, New York. He marketed a medical device called the Oxypathor via world-wide franchises. This device supposedly polarized the skin and permitted ready entry of oxygen into the blood. Moses claimed that oxygenated

blood cured virtually every known disease³. The final members of this group were Dr. James M. Peebles and Dr. W. Thompson Bobo, who founded the Dr. Peebles Institute of Health in Battle Creek, Michigan. Members of the public would write to them describing their various illnesses, and the Institute would prepare special medical prescriptions tailored to cure their ills, or so they claimed. They charged \$5 per prescription, a significant sum during the early years of the 20th century. The prescriptions actually contained water, ethanol and simple inorganic salts which offered no medical value⁴. All of these fraudsters operated their nefarious schemes on an international scale, making use of the world's mail system. All were investigated for or charged with mail order fraud by the U.S. Post Office.

Based on data gathered by the United States Post Office and the American Medical Association, the New York Institute of Science, hereafter the NYIS, was probably the most successful of the fraud organizations⁵. In 1914 court proceedings, it was noted that they sold about \$1,500,000 worth of merchandise between 1908 and 1914. That amount represents about \$30,000,000 in today's purchasing power, so clearly their organization was a financial success. Fortunately for philately, the NYIS, as did the three other fraud organizations noted, sold its incoming mail to the philatelic trade of the times. Thus, we are left with a record of the scope of their activities. My current collection shows about five hundred NYIS covers from more than sixty world-wide countries covering all five continents. In which country was the NYIS most successful based on the volume of mail to Rochester that is represented in my collection? Leaving out the United States, as it appears that its mail was not sold to the philatelic trade because of its common nature, one might think that a country such as the Great Britain or France or Germany or Italy or Spain might be the main source of mail coming into Rochester. But no! I have more than one hundred covers from the Hungarian part of the Austro-Hungarian Empire, many times more than any of the aforementioned countries. Based on incoming mail, much of which was registered because it contained some form of payment, the NYIS was more successful in the Hungarian Empire than any other entity, world-wide. Given the focus of *OPUS XVIII* on the countries of the Austro-Hungarian Empire, I thought a paper on the Success of the New York Institute of Science in Hungary might be an interesting study of the union of social and postal histories.

The New York Institute of Science

The New York Institute of Science was founded in late 1899 by E. Virgil Neal, also known as X. La Motte Sage, (fig. 1), and a number of associates in the city of Rochester, N.Y.⁵ Charles S. Clark (fig. 2) was Vice President and General Manager of the organization, and became head of the organization after Neal had moved to other endeavors. Their basic scam was to offer a free introductory booklet on how magnetic influence and hypnotic power might be obtained, and then sell a home-study course on such to the gullible. They claimed that the course would enable one to cure disease and bad habits without drugs, win the friendship and love of others, increase one's income, gratify one's ambitions, dispel worry and trouble from your



Fig. 1 - E. Virgil Neal, also known as Xenophon La Motte Sage, founder of the New York Institute of Science (NYIS).




Fig. 2 - Charles S. Clark Founder, Vice President and General Manager of the NYIS.

mind, banish domestic unhappiness, end pain and suffering and develop a wonderful magnetic will-power that would enable one to overcome all obstacles to one's success. Neal received a college education from a small school in the Midwest, and went on to author successful books on banking and accounting. In the 1890's he became a stage hypnotist in the northeastern part of the United States under the stage name of Xenophon La Motte Sage. I like to think of this as his *nom de fraud*. From this background he, and his associates, developed the home study course in hypnotism and magnetism and began the exploitation of the gullible public.

The goal of the New York Institute of Science was to propagate this scheme internationally through the use of the mails, which now reached around the world. To do so, they set up managers at the Rochester home office for their efforts in the following countries and areas: England and its colonies, France and its colonies, Belgium, Germany, Austria, Spain and Central and South America, Holland, Denmark, Portugal, Italy, Russia, Hungary, Sweden, Japan and, of course, the United States. Clearly foreign languages were not to be an issue; advertising was to be done in local journals and newspapers, and the NYIS publications had to be available in many of the world's major languages. Fig. 3 shows a typical advertisement in the English language. Its title: *WHAT'S IN YOUR FUTURE? You Can Make or Mar It as You Will*, is aimed at telling one how to achieve success in life. Often the advertisements will note hypnotism, magnetism and personal power as vehicles to do so. Fig. 4 shows an advertisement in German with the title: *Wie ein Hypnotiseur ein Vermögen schaffte* (How a hypnotist made a fortune). Personal wealth was also a vehicle for attracting customers. The advertisement offered a free booklet with minimal details on achieving these goals, and information on how to obtain the home study course.

Fig. 5 shows an envelope used for a typical information package going out to a respondent to one of the advertisements. To minimize costs, extensive use was made of U.S. printed matter rates which were one U.S. cent for two ounces of weight (1¢ per 2 oz, which was about 56 grams). Printed matter rates at this time were most favorable to the senders, as governments recognized the importance of supporting national commerce. The envelopes for these mailings were prepared especially for printed matter with fold out flaps at a smaller side. These provided for safe containment of the contents, and permitted postal inspection of the same to be sure that the contents were in accord with established printed matter regulations. The franking in this case was achieved with a 1¢ Benjamin Franklin stamp of the U.S. 1902 series, which had been precancelled at the city of origin - Rochester, N.Y. The return address shows the origin of the item at the New York Institute of Science. The addressee lived in the village of Spittal in the Carinthia portion of south central Austria.



WHAT'S IN YOUR FUTURE?

You Can Make or Mar it as You Will—Success May Be Yours.

What is your future to be? Do you want and expect power, position and authority? Do you hope for wealth, fame or renown? Would you possess those forceful magnetic qualities that bend other men's wills to your own—those latent forces that enable you to make master strokes in the world of business and finance and become a leader of men in every sense the term implies? Do you long for social power?

We claim that all these things are possible for those who fully develop their latent power of **Personal Magnetism**. Over 100,000 men and women have made themselves happier and more successful, simply by following the methods we teach. In business, in politics, in the home, in the church, in society, at school and college, the possessor of great **Personal Magnetism** succeeds where others fail.

Your future depends upon yourself

You can overcome the difficulties of circumstances and environments. You can triumph over obstacles, become a power among men and make your life a grand success if you will but master the most wonderful science of a scientific age—**Personal Magnetism**.

IT COSTS YOU NOTHING

to obtain a copy of our beautifully illustrated book by Dr. X. LaMotte Sage. It tells you all about **Personal Magnetism**. You can learn at home in a few days how to wield a wonderful power and influence. Read the unsolicited testimony of those who know from actual experience whereof they speak, and write for this wonderful book to-day. **Remember, it's free.**

CHAS. M. EDWARD, BOX 471, Kalamazoo, Mich., writes:—"Your work has been a complete revelation to me. I have developed a power I never dreamed I could acquire."

G. B. STEWART, of Elkhart, Ind., writes:—"I advise every person who wants to better his condition in life to write for your free book; it is full of invaluable information." Address

NEW YORK INSTITUTE OF SCIENCE,
Dept. B J 10, Rochester, N. Y.

Fig. 3 - Typical NYIS advertisement in English.

Wie ein Hypnotiseur ein Vermögen schafft.

Die geheimen Methoden, mit welchen Dr. X. La Motte Sage, der größte wissenschaftliche Hypnotiseur unserer Zeit, ungeheure Sensation erregte.

Es ist davon überzeugt, daß Hypnotismus eine Wohltat für das Volk ist, und hat 40000 Mark gestiftet, um ein hübsch illustriertes Buch, enthaltend seine Ideen und Richtlinien, wie man diese geheimnisvolle Macht erlangt und dieselbe im Geschäft, in der Gesellschaft und im Hause anwendet, gratis zu verteilen.

Solange der Vorrat dieser besonderen Ausgabe reicht, wird einem jeden, der sich hierfür interessiert, dieses bemerkenswerte Buch gratis zugelandt.

Dr. X. La Motte Sage hat sich durch den Hypnotismus ein Vermögen erworben. Es ist anzunehmen, daß er über dieses Thema mehr Kenntnis besitzt, als irgend ein anderer. Seine Methoden sind von den bisher bekannten vollständig verschieden. Durch sein neues System hypnotisiert er die Menschen augenblicklich. Er sagt Ihnen, wie Sie ohne irgend eine Übung und ohne ein einziges Wort einen nachhaltigen leichten Einfluß ausüben können. Er beschreibt die einzig richtige, praktische Methode zur Entwicklung der Kraft des persönlichen Magnetismus, die je veröffentlicht wurde. Nachdem er sich in das Privatleben zurückgezogen hatte, gründete er eine Schule, in welcher Hypnotismus, persönlicher Magnetismus, magnetische Driftkraft usw. nach den bestimmten Geleiten, die er aufgestellt hatte, gelehrt wurde. Das Resultat war, daß die Schule die größte ihrer Art in der ganzen Welt wurde. Tausende vom Erlöse begünstigte Schüler in allen Teilen der Welt sind lebende Zeugen dieser wunderbaren Macht und der großen praktischen Vorteile, die sie der Methode des Dr. Sage verdanken. Derselbe hat kürzlich ein Buch geschrieben, betitelt "Die Philosophie des persönlichen Einflusses", in welchem er in verständlicher, einfacher Form genau erklärt, wie man die hypnotische Kraft und die verschiedenen Anwendungen derselben erlernt. Unter den vielen interessanten Abschnitten, die das Buch enthält, sind folgende besonders bemerkenswert: Wie entwickelt man die magnetische Kraft und wie wirkt man auf Menschen ohne deren Wissen ein; wie bringt man jemand einen Befehl bei, den er in allen Einzelheiten, selbst wenn der Hypnotiseur nicht zugegen ist, einem Monat oder sogar ein Jahr später, ausführen wird; wie kann man Leute aus der Entfernung hypnotisieren; sein Wert bei geschäftlichen Unternehmungen; wunderbare wissenschaftliche Versuche, wie man sich gegen Einwirkungen anderer schützt; hypnotische Kraft mehr betäubend als Schokolade; die Anwendung des Hypnotismus bei der Entwicklung geistiger Fähigkeiten, bei der Kindererziehung, sowie bei häuslichen Sorgen usw.

Die Schule, welche Dr. Sage gegründet hat, verteilt die obengenannten Bücher im Werte von 40000 Mark vollständig kostenlos, solange der Vorrat dieser Special-Ausgabe reicht. Jedermann, der es ernstlich wünscht, kann, wenn er darum schreibt, ein Exemplar erhalten. Das Buch ist mit schönen Abbildungen in halbtönen reich illustriert. Es zeigt Ihnen, wie die wunderbare Kraft des Hypnotismus gebraucht wurde, um auf andere Menschen ohne deren Wissen einen geheimen, mächtigen Einfluß auszuüben, und wie dieselben dem Willen eines anderen nachkommen, in einigen Fällen sogar nach Jahren gehorchten. Es veranlaßt Ihnen das Geheimnis der Selbstvermehrungsbedeutung, wie sich Senator Chauncey W. Depew leicht ausdachte. Denken Sie nicht, daß Sie Ihre Lebensstellung nicht verbessern können, weil Ihnen gute Erziehung mangelt, oder weil Sie für ein geringes Gehalt arbeiten. Denken Sie nicht, daß Sie nicht noch größere Erfolge erzielen können, selbst wenn Sie auch jetzt schon im Leben erfolgreich sind. Dr. Sages Buch wird viel helfen, und seinen Methoden huldigen heute viele der reichsten Menschen der Welt. Diese kennen den Wert des persönlichen Einflusses, der hypnotischen Kraft. Wenn Sie dafür Interesse haben, schreiben Sie heute eine 10 Pfennig-Briefmarke an das New York Institute of Science, Abt. G. D. Rochester, New York, und Dr. Sages Buch wird Ihnen postwendend vollständig kostenlos zugelandt. Das Buch wird von den bedeutendsten Geschäftsleuten, Verkäufern, Juristen und Doktoren enthusiastisch anerkannt und sollte in keiner Familie fehlen. Es sollte von jedem Deutschen, Mann und Frau, die ihre Lebensstellung zu verbessern und größere finanzielle Erfolge zu erzielen wünschen, die Freunde gewinnen wollen und die die Freude und das wahre Glück des Lebens, die ihnen der Schöpfer geschenkt hat, genießen wollen, studiert werden.

Fig. 4 - Typical NYIS advertisement in German.

NEW YORK INSTITUTE OF SCIENCE,
ROCHESTER, N. Y., U. S. A.

Hrn. J. Kraigher,
Spittal,
Kaernten,
Austria.

FOR POSTAL INSPECTION
PULL OUT THIS FOLD.




Fig. 5 - NYIS information package mailed to Spittal, Austria.

The initial product of the NYIS was the home study course in hypnotism and magnetism. The cover of a very early edition is shown in fig. 6. It details the contents of the booklet, and gives the purchaser some idea of X. La Motte Sage's background, which certainly appears impressive.

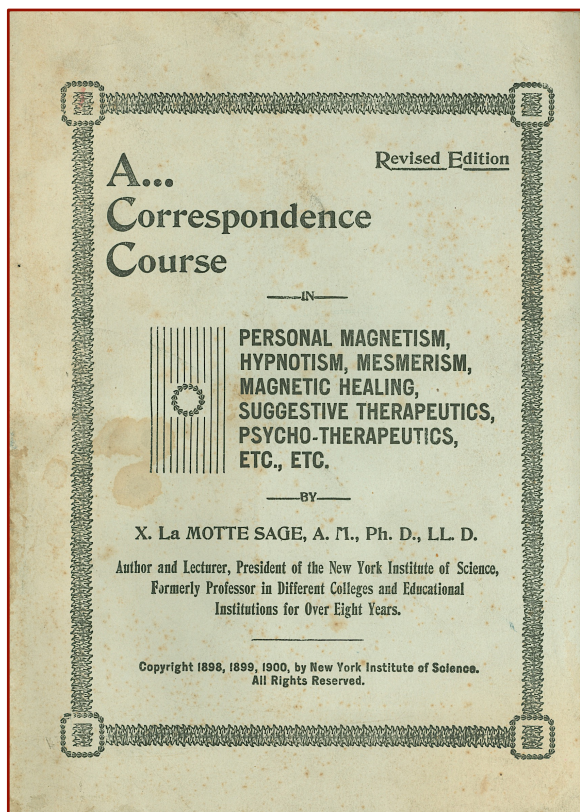


Fig. 6 - Front cover of early course book on hypnotism and magnetism by X. La Motte Sage.

BOOKS YOU SHOULD READ.

The following list comprises the very best books published on Occult Sciences. We have included no book in this collection except those containing valuable information. We can furnish any book published, at the lowest possible rate, and we would like to forward special prices on any work you wish to purchase. Write us before you order elsewhere. We can save you money. All goods sent postpaid.

Price Postpaid.

Personal Magnetism, by Edmond Shafesbury..... \$4.00

APPLICATION FOR HIGHER COURSE.

Use this Form in Ordering the Higher Course.

Date _____

NEW YORK INSTITUTE OF SCIENCE,
ROCHESTER, N. Y.

Gentlemen:—I have mastered the General Course of Thirty-Six Lessons on Hypnotism, Personal Magnetism, Magnetic Healing, Suggestive Therapeutics, etc., and am now prepared for the Higher Course, which kindly forward to me, transportation charges fully prepaid.

Yours truly,

Signed _____

Course No. _____ Post Office Address _____

What State did you _____

Order From _____ State or Province _____

NEW YORK STATE PUBLISHING COMPANY,
ROCHESTER, N. Y.
Book Department,

Fig. 7 - Inside back cover of course book shown in fig. 6.

Sage was listed as the creator of the course and sole author of the booklet. The cost of the booklet was about \$5 U.S., which is the equivalent of about \$100 in today's purchasing power. This booklet was produced by a mimiographic process, and is copiously illustrated with photographs of hypnotic situations. In its 81 pages are contained 36 individual lessons of instruction. Having brought a new customer on board, the NYIS was not about to let him go. On arriving at the back cover, the reader finds a list of more than 40 books on topics in related fields that are available for sale through the New York State Publishing Company, a sales subsidiary created to sell the publications of the NYIS and related literature. Covering the list of publications for sale is an *APPLICATION FOR HIGHER COURSE* (fig. 7). Having had a customer bite once, they were not about to let him go.

Among the other products, now printed in booklet/book format, that the NYIS sold to its clientele, is the book shown in fig. 8 titled: *Hypnotismus und Hypnotische Suggestion*, the title of which needs no translation. I have noted copies of this book in German, English, Spanish, Italian and French. It was edited by Neal and Clark in Rochester, and contains chapters by 30 distinguished authors in the field, with both of them included. For their services and products, Sage, also known as Neal, and Clark provided a guarantee of success as can be seen in fig. 9.

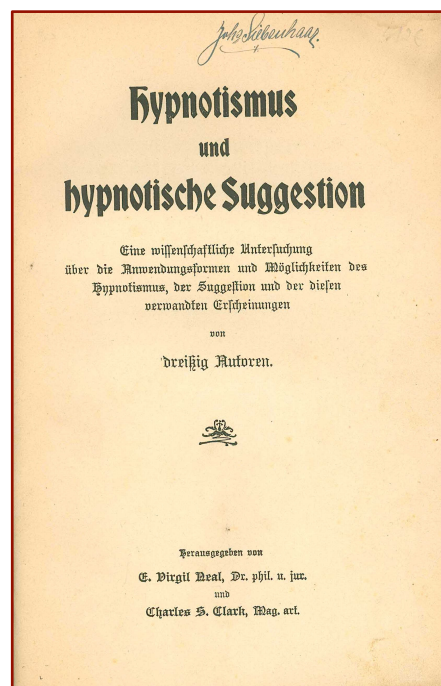


Fig. 8 - Book on hypnotism with chapters authored by 30 experts offered for sale by the NYIS in many languages.

The gambit into hypnosis, magnetism and success, and its presumed benefits to the subscribers that the NYIS claimed, was apparently financially very successful. As a result the NYIS created a number of other scams to defraud the public through use of the international mails. Among the most successful were *The Okola Laboratory* which offered treatments for diseases of the eye, and *The Cartilage Company* which offered a device with which could increase one's height by 2"-3". This device was modeled on a vertical version of the rack used in medieval times for torture by many European countries⁵.



Fig. 9 - Guarantee of success to clients of the NYIS.

The success of the New York Institute of Science in Hungary

Although we do not have unquestionable evidence of such, it appears that the NYIS sold the envelopes from incoming mail to the philatelic trade during the 1900-1915 period. Over the past five years I have amassed over 500 covers addressed to them from all over the world. My sources have been dealers' boxes at shows, auctions, mail sales, eBay, Delcampe, friends on the lookout on my behalf, etc. Assuming that the number of covers from each country reflects a relative sense of the success of the NYIS in that country, the Hungarian Empire stands out as the country where they had the most success. As noted, I have more than 100 covers from this entity, which represents more than 20% of the collection. What is even more unusual, the covers are only from the 1911-1914 period. Clearly, the NYIS must have been engaged in a major sales effort with respect to the Hungarian Empire.

Generally the covers are franked with the Hungarian Turul and Crown of Saint Stephen issue. These come in a variety of perforations and watermarks, and the lower values are generally common. No effort has been made to sort out the stamps by perforations or watermarks. There are but two major rates: the 25 filler, henceforth abbreviated 25f, overseas rate and the 50f registered overseas rate. Combinations of values prepaying these rates abound throughout the collection.

A priori I thought many of the covers would come from Budapest, as that was the most populous city. But that has not proven to be the case. In fact, most of the covers are from the smaller towns and villages. This has been a general observation throughout the fraud collection, regardless of the scam or the country of origin of the covers. People in the large cities were not as susceptible to the advertising of the fraudsters, and we do not see a strong record of their successes in such places as Budapest or Vienna or Paris or Berlin or Rome or Madrid or London. Such is even true for the British and French Colonies. Little mail is seen from the major colonial cities; most comes from the small towns and villages. My first New York Institute of Science cover was posted from the tiny village of Mana, French Guiana. I purchased it because of the rarity of material from this village, and had no idea how important the addressee would become to me in twenty five years.

Table 1 - Cities, towns and villages showing Hungarian Empire covers

Arad	Kézdivásárhely	Pecs
Békés Földvár	Kiskunfélegyháza	Pestszentlőrinc
Bolsce	Kispest	Pestújhely
Brassó	Kocsoládfalva	Pocsau
Budapest	Kolozsvár	Rákosszentmihály
Bukova Hunyad	Korpa	Salgotarján
Csepreg	Kovácsna	Sály
Csorvás	Kunmadaras	Somogyvár
Csót	Ladánybene	Somogyszob
Daruvár	Lajoskomárom	Sopron
Debreczen	Léva	Suhopolje
Dömsöd	Losoncz	Szaparyfalva
Dunaföldvár	Makó	Szász Magaros
Érmihályfalva	Mándok	Szeged
Gava	Mezőtúr	Székelyhid
Győr	Mór	Szepetk
Győr Szent Márton	Morva Szent János	Szikszó
Gyulaj	Mosocz	Tápió Györgye
Hadjú Böszörmény	Nagy-Vár	Tápiószele-Halesz
Homoródszentmárton	Nagykáglya	Temesvár
Honczto	Nagykároly	Tengöd
Ivanoz	Nagykozár	Törökszentmiklós
Jablonka	Nikla	Túrkeve
Jánoshalma	Nyír-Bátor	Újvidék
Jászapáti	Ópálos	Vasvár
Kaba	Orosháza	Veszprém
Karczag	Pásztó	Vulka
Kassa		

Table 1 shows a listing of the Hungarian cities, towns and villages from which I have covers. Typically, I have but one cover from each entity, save for Budapest and a few of the other of the cities. To give the reader a visual sense of the coverage of the Hungarian Empire this collection represents, fig. 10 shows a map of the Austro-Hungarian Empire. For each of the cities, towns or villages from which covers, I have placed a black dot in the approximate place of origin of the covers in the collection. The coverage is strongest in what is today Hungary proper and in western Romania (Transylvania) which had a large Hungarian population. Covers from the other surrounding countries which were formed after World War I are definitely present, though at a much lesser frequency.

one of their advertisements. Undoubtedly, the sender of this cover was responding to such an ad with some sort of monetary vehicle to purchase their products. Generally the fraudsters were happy to accept any currency, foreign drafts, money orders or even foreign stamps as payment for their wares.

The cover in fig. 12 and 13 was also sent to the NYIS at the 50f registered rate, and undoubtedly contained funds for the purchase of its products. It was posted from the small village of Homoródszentmárton on July 14, 1912, and is franked with two of the 25f Turful issues. The reverse bears a German ship transit *Seepost Bremen-New York, 16 / 12 R*, with the month missing, and a Rochester arrival on July 24, 1912. Today

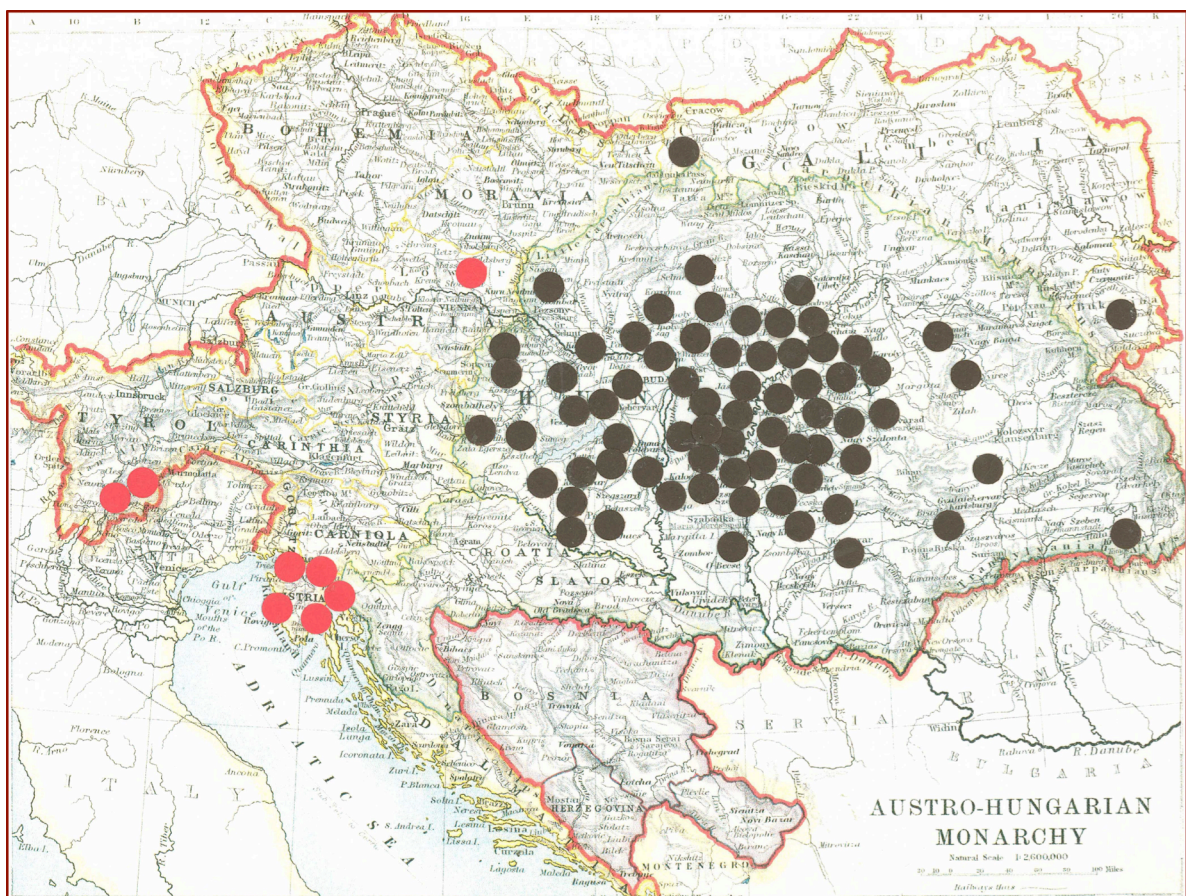


Fig. 10 - Map of the Austro-Hungarian Empire showing approximate origins of Hungarian (black) and Austrian (red) covers to the NYIS.

Representative Covers From the Hungarian Empire

I have selected a small number of the covers for illustration of various points about the collection. Fig. 11 shows a typical cover. It was posted from the small village of Tengöd which is about 140 km southwest of Budapest. It was posted on February 6, 1913, and is franked at the 50f registered rate with 20f and 30f Turful issues. In addition to the Hungarian registry label, a violet U.S. registry handstamp was applied on arrival in New York as was a U.S. registry number in black for identification. The reverse shows a transit via the New York Registry Division on February 28, 1913, and an arrival in the city of Rochester, N.Y. The preaddressed envelope was part of the information package that the NYIS provided to prospective clients who responded to

this is the Romanian village of Martinus located in the center of the country in the eastern part of Transylvania. It still has a large Hungarian population. This cover is addressed to X. La Motte Sage himself, as if he were a major force at the NYIS. This was the stage name E. Virgil Neal used when he was a stage hypnotist in the 1890's. It is seen in most of the publications, correspondence and advertising of the NYIS, even during the second decade of the twentieth century when Sage had little presence at the NYIS. Also of note is that the address indicates *Dept 320a* as if it had some departmental significance at the NYIS. I have concluded this sort of coding was used to identify the advertisements placed in local journals and newspapers, and served as a means of measuring the success of the individual advertisements.

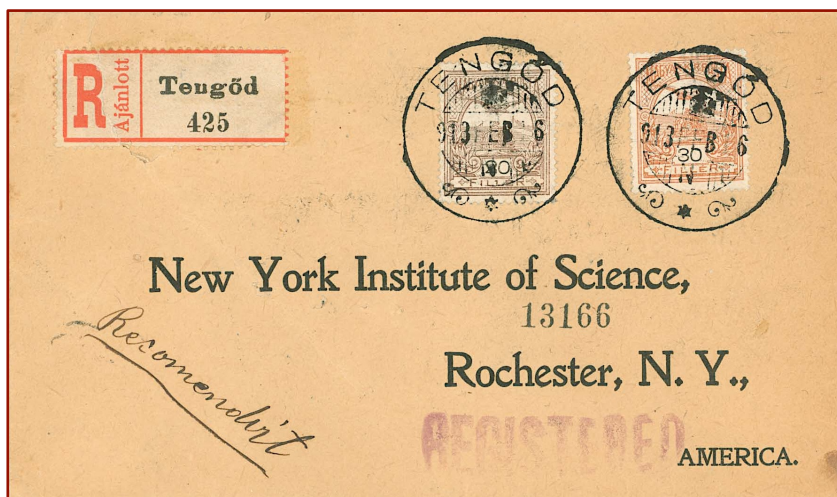


Fig. 11 - Preprinted envelope from the NYIS posted from the small village of Tengőd in 1913.

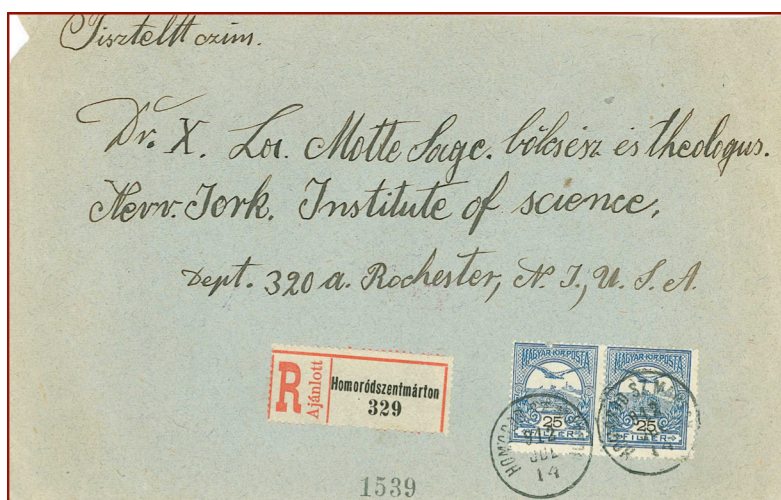


Fig. 12 - Posting from the small village of Homoródszentmárton in 1914.

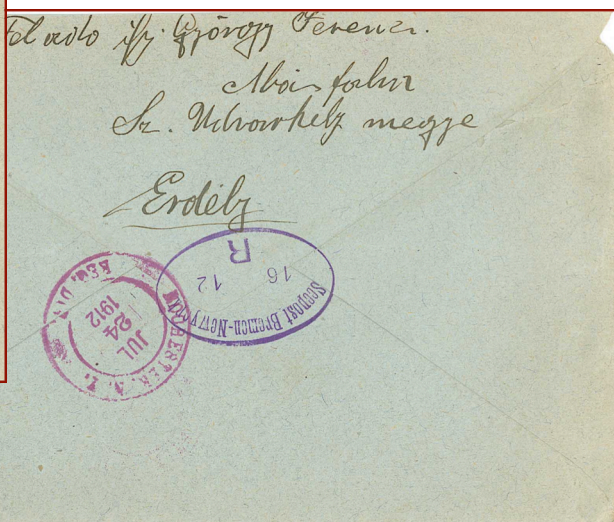


Fig. 13 - Reverse of the cover in fig. 12 showing the German seapost transit via Bremen.

In addition to the use of preprinted envelopes addressed to the New York Institute of Science, ones addressed to Charles S. Clark, General Manager also were sent as part of the information packages used by the NYIS. An example is shown in fig. 14. The envelope was posted on April 23, 1912, from the small village of Gyulaj located about 140 km SSW of Budapest. While the endorsement "PERSONAL" may have seemed special to the sender, I am sure that Clark received hundreds of letters such as this every week.

The final address which reflects NYIS mail is that of the New York State Publishing Company. This was the publishing arm of the NYIS and all of its related scams, as previously noted, all of which shared the same office space in Rochester. Fig. 15 shows a registered letter from the small village of Somogyaszob, about 200 km southwest of Budapest, posted on April 19, 1912, to the publishing arm of the enterprise. This letter also bears a transit from the Bremen-New York line of April 23, 1912, and a Rochester arrival. Undoubtedly, someone from this village knew the publications which they wanted to buy, and was doing so directly.

Fig. 16 and 17 show a registered letter posted from Debreczen, the second largest city in Hungary, on July 11, 1912, employing the NYIS preprinted envelope. The reverse shows a colorful combination of Turfú issues (5f, 10f and 35f) prepaying the 50f rate. Also of note, is the transit from the second German line which brought mail to the U.S. via Hamburg: *DEUTSCH-AMERIK. SEEPOST / a / HAMBURG / NEW-YORK / 3/7.12*. Mail via Hamburg is rarer than that via Bremen.

Fig. 18 and 19 illustrate what I believe to be the most colorful cover in the collection. It is based on a 35f 1913 registry postal stationery envelope uprated to the 50f rate with 2f, 3f and 10f issues. It was posted from the village of Salgotarján on December 10, 1913. This entity, today a city, is about 70 km northeast of Budapest. The reverse shows New York City transits and a Rochester arrival. The presence of wax seals to secure the envelope suggests that it contained cash payment for NYIS products.

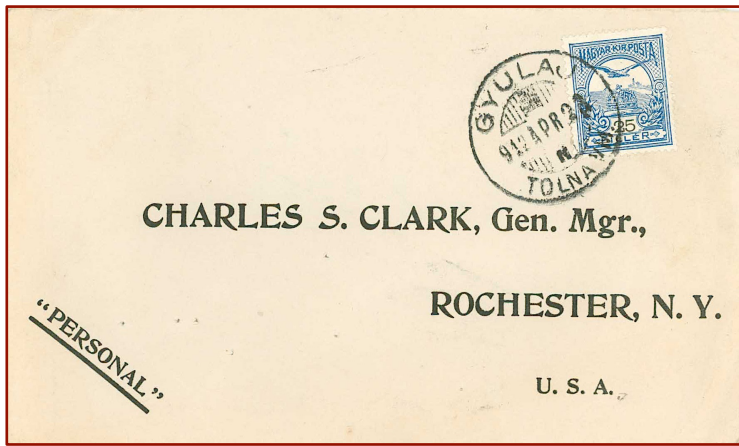


Fig. 14 - Cover from the village of Gyulaj preaddressed to Charles S. Clark.

Fig. 15 - Letter from Somogyszob to the New York State Publishing Company, the publication branch of the NYIS.



Fig. 17 - Reverse of the letter in fig. 16 showing a transit of the Hamburg seapost line.

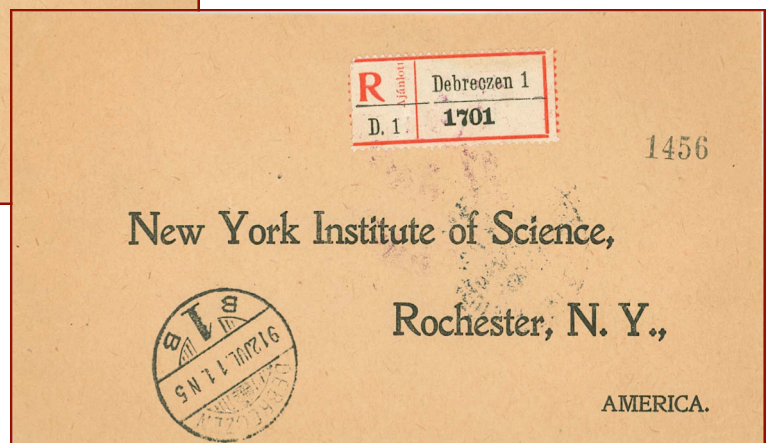


Fig. 16 - Letter from Debreczen, the second largest city in Hungary.



Fig. 18 - Registered letter from the village of Salgotarján based on a 35f postal stationery envelope.

Fig. 19 - Reverse of the letter in fig. 18 showing transits and wax seals used for security.



The cover shown in fig. 20 is from Veszprém, a Hungarian village located in the region west of the Danube in Hungary. It was posted at the 50f registered rate to Rochester, and all of the action on this cover is seen on the reverse in fig. 21. It was posted on July 12, 1912, and the 50f rate was prepaid with ten spectacularly arranged 5f stamps all tied to the cover. It transited via the Bremen-

New York line and arrived in Rochester on July 24th. From the same region in Hungary, the cover in fig. 22 was posted on April 16, 1912, from the city of Győr. The 50f rate was prepaid with three 10f and five 5f stamps as seen in fig. 23. The reverse shows a New York transit of April 28th, the return address of the sender and no Rochester arrival.

Fig. 20 - Registered letter from the village of Veszprém in 1912.

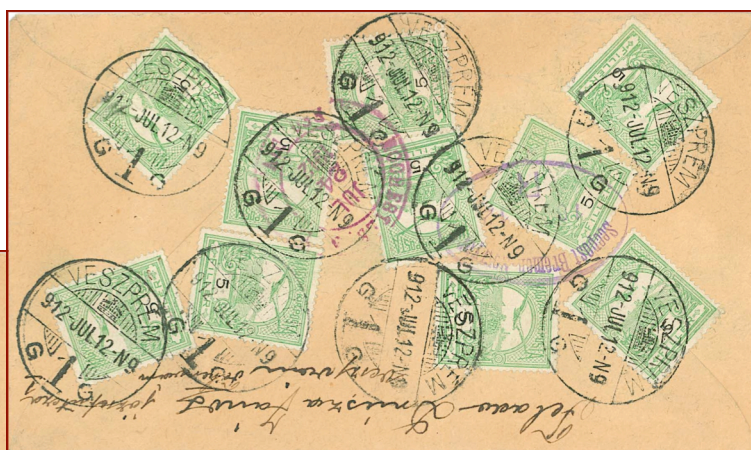
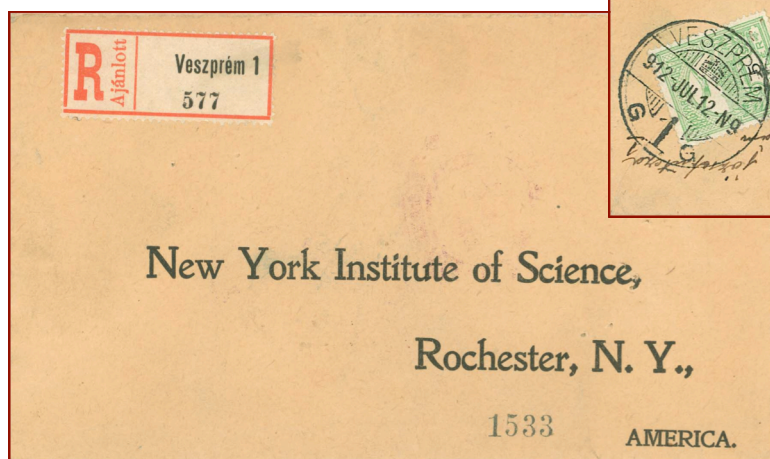


Fig. 21 - Reverse of the cover in fig. 20 showing franking with 5f stamps and all transits.

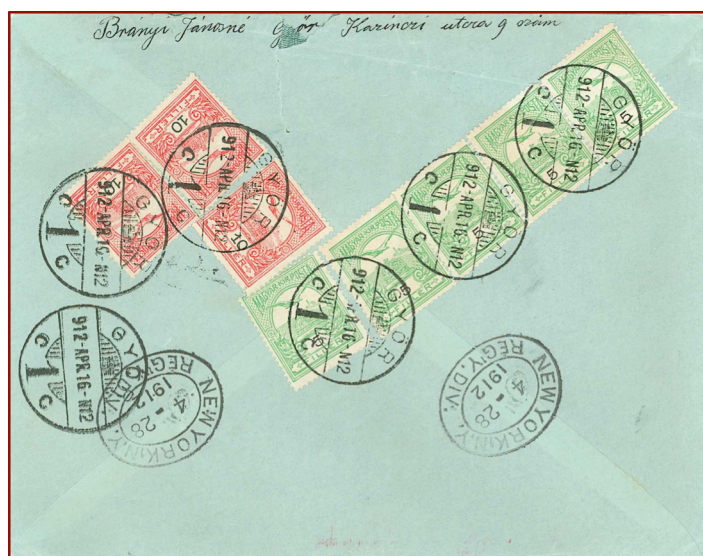
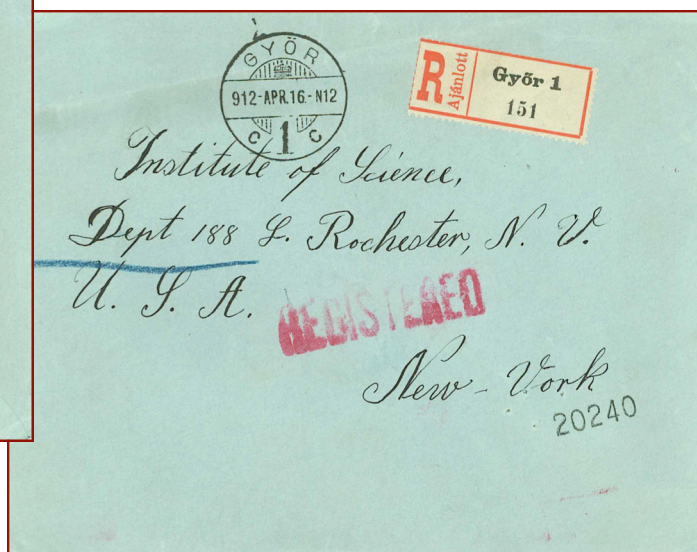


Fig. 23 - Reverse of the letter in fig. 22 showing an eight stamp franking.



*Fig. 22 - Registered letter from the city of Győr
to the NYIS in 1912.*

The cover in fig. 24 is based on a 10f postal stationery envelope posted from the Budapest district of Kispest on July 13, 1911, raised to the 50f registered rate with four 10f stamps, on the reverse seen in fig. 25. It transited via the Bremen Line (*DEUTSCH-AMERIKANISCHE-SEEPOST / BREMEN-NEW-YORK V / 18 7 11*) arriving in Rochester on July 26. The final cover in this section is in fig. 26 and 27. The front of the cover shows a standard NYIS preprinted envelope, with the only postal marking being a "T." inscribed in pencil. The reverse shows a most unusual combination of 35f, 6f and 2 x 2f stamps prepaying 45f of

the 50f rate. The stamps are tied by the chamfered rectangular cancel of the small village of Tápiószele-Halesz located about 45 km ESE of Budapest. It was the duty of originating post offices to note deficiencies in postage as was done on the front of this envelope. It was up to the receiving post offices to calculate and receive the correct amounts due. This letter was 5f short in postage which corresponds to $\frac{1}{2}\phi$, which when doubled equals 1 ϕ due. Apparently this was considered too small to bother with on arrival in Rochester, and the letter arrived untaxed.

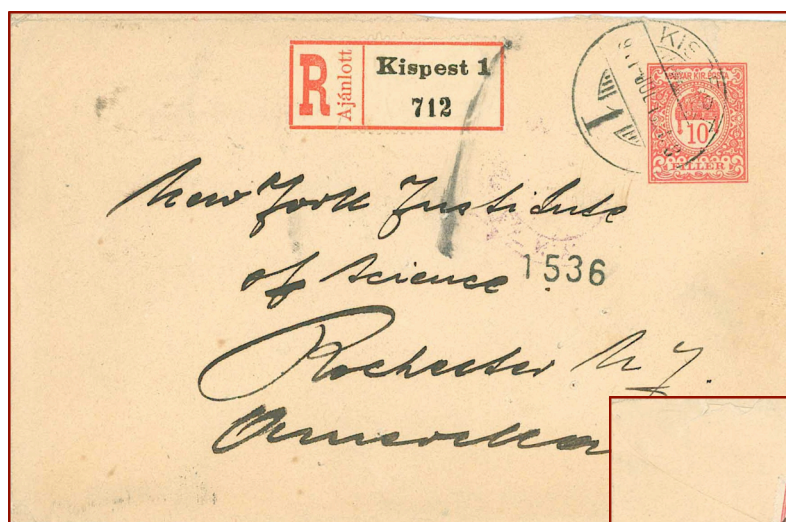


Fig. 24 - Registered letter from the Kispest District of Budapest based on a 10f postal stationery envelope.



Fig. 25 - Completion of the franking of the letter in fig. 24 with Bremen Line transit.

Fig. 26 - Letter from the village of
Tápiószele-Halesz showing
a "T." due marking but no postage due charge.

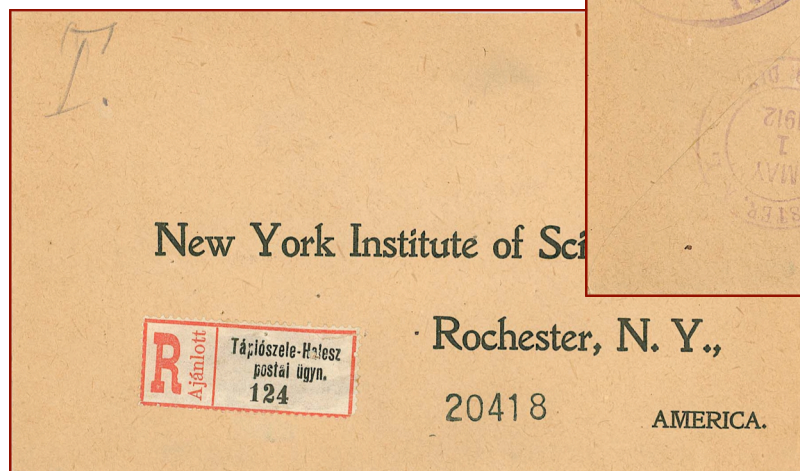


Fig. 27 - Reverse of fig. 26 showing an
underfranking of 5h.

Subsequent Career of E. Virgil Neal

Demise of the New York Institute of Science

Since its inception in 1899 the New York Institute of Science came under the scrutiny of the Attorney General of the State of New York, the U.S. Postal Service and the American Medical Association⁵. It was a time when all sorts of frauds flourished in the United States. Reference 5, which documents these schemes, is more than 830 pages long! The NYIS, along with its affiliated organizations, is but one of hundreds of organizations that were competing for the public's attention, and the dollars that the fraud schemes could bring. Fraud claims from the public began to mount with time, as the foolishness of the NYIS's claims became recognized. Finally court proceedings against the NYIS were held from November 17-20, 1913, and by late 1914 the Assistant Attorney General of the State of New York issued, in part, the following statement: *"For years the Department has been flooded with complaints against this concern (the NYIS) from people claiming to have been defrauded and it is estimated that this concern has mulcted (deprived someone of money by fraudulent means) the public to the extent of \$1,500,000 (equivalent to \$30,000,000 in today's dollars). I find that this is a scheme for obtaining money through the mails by means of false and fraudulent pretenses, representations and promises in violation of Sections 3929 and 4041 of the Revised Statutes, as amended, and I therefore recommend that a fraud order be issued against the New York Institute of Science, Inc., and its officers and agents as such."* The fraud order was issued by the Postmaster General on August 8, 1914. By the end of the year the activities of the NYIS had ceased.

By the middle of the first decade of the 20th century, E. Virgil Neal began to have financial interests beyond those of the NYIS. His entire life and its activities are detailed in a wonderful biography on him by Mary Schaeffer Conroy⁶. He left the management of the NYIS to Clark and others, but his stage name of X. La Motte Sage continued to be featured in NYIS promotions and products. He founded the Tokalon Company, a manufacturer of perfumes and cosmetics. He built Tokalon into one of the most successful cosmetics companies in Europe. He resided in Nice, France, and became one of its most prominent citizens. An ad for the Tokalon Company is shown in fig. 28. Note he is promoting a cure for the problem of wrinkles, an affliction that we still deal with today. Despite his success in the cosmetics industry, Neal remembered his roots in the scam business. Shown in fig. 29 is a more modern edition of the NYIS home study course booklet initially shown in fig. 6. Despite the fact that the NYIS was put out of business for mail order fraud by the U.S. Post Office and the American Medical Association in 1914, this item suggests that Neal continued to market a version of the course in Europe as late as the 1920's, while he was becoming a success in the cosmetics industry. A number of things are of note with regard to this edition of the course. The price for the course had risen to \$25 U.S. or 5 Guineas in British currency! He was still using the name of X. La Motte Sage for its marketing. And the course booklet bears a 1923 copyright by the Sage Institute, an organization that I had not heard of prior to seeing this booklet, and one that in all probability did not exist. Why was Neal/Sage continuing to market this booklet? One can only guess. Once printed, it was essentially free money, and it probably satisfied some motives deep within his psyche. Nothing is known about the post-NYIS history of Clark. With the closing down of the NYIS in 1914, he seems to have disappeared.

MUSÉE DE VERSAILLES



Bataille de Friedland, par H. VERNET.

**UNE ASSURANCE
CONTRE LES RIDES**

COMMENT FAIRE PARAÎTRE JEUNE
VOTRE VISAGE
ET LE METTRE POUR TOUJOURS
À L'ABRI DES RIDES

La **CRÈME TOKALON** est la meilleure assurance que vous puissiez prendre contre les rides ou les marques de l'âge. Cette crème est à la fois une merveilleuse crème de toilette, invisible et absolument non grasse, et une riche nourriture pour la peau, lui infusant une nouvelle vie. Elle fortifie les muscles mous et flasques, elle enlève les rides et marques de l'âge et elle fait retrouver à la peau et au teint leur merveilleux aspect de jeunesse.

LE SECRET D'UN JOLI TEINT.
Appliquez de la **Crème Tokalon**, puis séchez le visage avec un linge doux, et employez la **Poudre "Les Fascinations de Tokalon"**. Ce simple traitement opérera un changement merveilleux sur votre peau et dans votre teint en l'espace d'une semaine. Faites un essai et vous serez enchantée du résultat.

La **Crème Tokalon** (1 fr. 50 et 2 fr. 50) et la **Poudre "Les Fascinations de Tokalon"** (2 fr. et 3 fr. 50) se trouvent en vente

**AUX GRANDS MAGASINS
DU PRINTEMPS**

Les produits "**Tokalon**" sont absolument garantis de donner entière satisfaction sous tous les rapports.

TOKALON, 7, rue Auber, PARIS

Demandez au Rayon de Parfumerie qu'on vous fasse sentir
Le Mystérieux Parfum Porte-bonheur **BUDA**.

— 450 —

PRICE £25
OR
5 GUINEAS

Revised Edition

**A...
Correspondence
Course**

IN

Personal Magnetism, Hypnotism,
Auto-Suggestion,
Mesmerism, Magnetic Healing,
Suggestive Therapeutics,
Phono-Therapeutics,
Self-Development,
Development of the Will,
Success-Thought, Etc., Etc.

BY

X. LA MOTTE SAGE, A. M., Ph. D., LL. D.

Author and Lecturer, and for Over Eight
Years, Professor in Different Colleges and
Educational Institutions.

Copyright 1925, by Sage Institute.
All Rights Reserved.

Fig. 29 - Version of the hypnotism and magnetism course still being offered by Sage/Neal in the 1920's.

Fig. 28 - Tokalon advertisement offering a cure for wrinkles.

Mail From the Austrian Empire

For those who have made it this far into this story, you are probably wondering about the comparison of the success of the NYIS between the Hungarian Empire and the Austrian Empire? One would think that the marketing of the course in the German and Austrian Empires would have been much simpler than in the Hungarian Empire, simply on the basis of the language issues. The Hungarian Empire was more complex in just about every category of which one could conceive. However, my data base shows only nine covers from the Austrian Empire, less than 10% of the total for the Hungarian Empire. Returning to the map of the Austro-Hungarian Empire shown in fig. 10, I have noted the approximate origins of the nine covers from the Austrian part of the Empire with red dots. Immediately, one sees an issue. None of the covers are from what is today the country of Austria. All but one, are from eastern parts of the Empire. A count of my German covers shows but five. Clearly, the Germanic countries were not a major factor for the success of the NYIS, at least based on surviving covers.

However, the Austrian Empire covers have their own interesting aspects. That in fig. 30 is from the village of Riva, also known as Riva del Garda, located on the northwestern corner of Lake Garda. It belonged to the Republic of Venice, and then from 1815-1919 to the Austro-Hungarian Empire. It served as an important supply base for the Austrian navy. The cover was posted on June 10, 1907, at the registered 50h rate to one Mr. G. A. Mann at the Institute of Radiopathy in Rochester, N.Y. The Institute of Radiopathy was another of the smaller scams which was created by so-called Professor G.A. Mann under the umbrella of the NYIS. Radiopathy was simply a rehashing of the popular scam ideas abundant during these times. It did not contribute anything new to the existing body of scams⁷. The NYIS did not miss an opportunity to add to the fortunes of the company. I have seven covers from seven different countries to this subsidiary, suggesting that it was a successful, but not major, contributor to the coffers of the Rochester fraudsters.

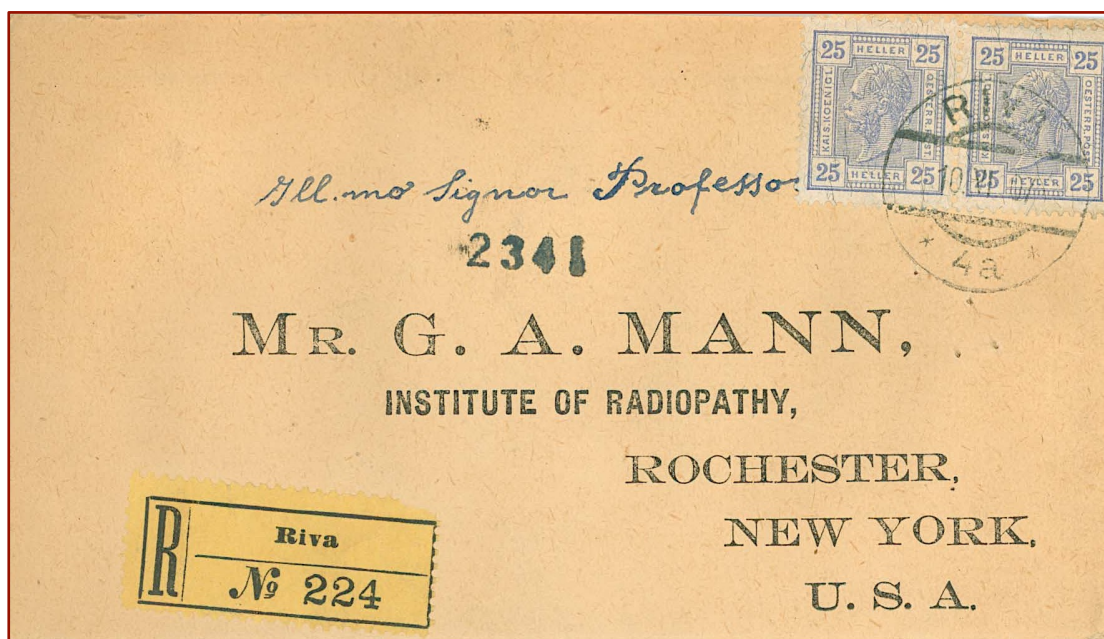


Fig. 30 - Registered cover to the Institute of Radiopathy posted from Riva in the Austrian Empire.

Concluding Thoughts

Given the gross proceeds of \$1,500,000 of the NYIS noted in the court case of 1914, and that more than 20% of the covers in my collection of over five hundred are from the Hungarian Empire, it seems quite certain that the NYIS was most successful in perpetrating at least one of its fraud schemes in that entity. Why the Hungarian Empire was such fertile ground for this scam remains, at least to me, a mystery. To date, I have not been able to find any ephemera in the Hungarian language. This, despite searching Hungarian auctions on line, buying Hungarian newspapers and journals of the period when I note them in hope of finding some NYIS advertising, and enlisting the help of Hungarian friends in my searches and for their ideas.

On page 307 of Reference 5, it is noted that one F.W. Barabas was the Manager of Correspondence for Hungary at the NYIS. It could be that this person was fluent in Hungarian, familiar with Hungarian history, customs and traditions, knowledgeable and efficient about the means to reach the general Hungarian population through advertising, aggressively pursued his work at the NYIS and was consistent in seeing that the Hungarian incoming covers made their way to the philatelic trade of the period. Thus, the success of the NYIS in Hungary could simply be a reflection of the success of this person pursuing his job. The managers for the other countries may not have been as successful, or steadfast in seeing that their covers reached the philatelic trade. This would offer the simplest explanation for the apparent success of the NYIS in Hungary.

In a 2004 paper Koltay summarizes the history of alternative medicine in Hungary during the 19th and early 20th centuries⁸. Homeopathy, hydrotherapeutical methods and, to a lesser extent, Mesmerism were widely accepted and practiced in the Hungarian Empire, but probably no more so than in surrounding areas of Europe. So there appears to be nothing special that would suggest an unusual susceptibility to the approaches of the NYIS in Hungary.

One thought that I have been left with in putting this collection together is that the Hungarian Empire appears to have been an entity consisting mostly of small towns and villages at this time. As noted before, it was the small towns and villages around the world that were the most receptive to the appeals of the fraudsters. Possibly this, plus an aggressive marketing campaign, were the key to the success of the NYIS in Hungary.

It should be noted that the power of science as we know it today was still in the process of establishing its foundations in 1900. Belief in ideas not founded upon the scientific method was rampant. Even today, one has to simply look to the United States and note the number of people who do not accept the science of evolution, or the reality of global warming, or who believe that vaccines are associated with autism. Unquestionably, the human species readily accepts irrational positions contrary to established science, or even simple logic.

Readers should note that I am always interested in postal history, ephemera or new information relating to these fraud schemes. Should something come to your attention, I would sincerely appreciate hearing from you. I can be reached at edjig@alum.mit.edu. When I lecture on these topics, I am always pleased to show a slide naming those who have helped me build this collection as a way of thanking them.

References and Endnotes:

1. http://www.westfieldstampclub.org/Newsletter/WSC_News_2013-09.pdf E. Grabowski, *Filately (sic) & Fraud: The Beat Continues*, Westfield Stamp Club Website, pp 2-4.
2. E. Grabowski, *Professor A. Victor Segno: Sending Success Waves to Remote Places Around the World*, *Collectors Club Philatelist*, 2016, Vol. 95, pp 163-168, and references cited therein.
3. http://www.westfieldstampclub.org/Newsletter/WSC_News_2014-09.pdf E. Grabowski, *The Oxypathor Company (Lecture)*, Westfield Stamp Club Website, p 1.
4. http://www.westfieldstampclub.org/Newsletter/WSC_News_2014-01.pdf E. Grabowski, *Welcome to Dr. Peebles and The Dr. Peebles Institute of Health*, Westfield Stamp Club Website, pp 3-4.
5. A. Cramp M.D. Editor, *Nostrums and Quackery, Articles on the Nostrum Evil, Quackery and Allied Matters Affecting the Public Health, Volume II*, American Medical Association, 1921, pp 305-321 and 690-694.
6. M. Schaeffer Conroy, *The Cosmetics Baron You've Never Heard of: E. Virgil Neal and Tokalon*, Altus History LLC, Third Edition, 2014, ISBN: 978-0-9826314-2-3.
7. http://www.iapsop.com/archive/materials/wing_lessons/1908_guillaume_mann_radiopathy_fraud_file.pdf on the Website of The International Association for the Preservation of Spiritualist and Occult Periodicals (IAPSOP): <http://www.iapsop.com/>. This extensive website is highly recommended as a source for information on scams rampant in the United States during these times. Information on the fraudsters noted in the Introduction to this chapter is readily available.
8. E. Koltay, *History of Alternative Medicine in Hungary in the 19th and Early 20th Century*, *Orvostörténeti Közlemények*, 2004, Vol 49, pp 57-68.